

decide on it. I think it is time we looked down the road, look a couple of years ahead and not just for the time being. I think this is our trouble with a lot of our country today, we are afraid to face the future and the future is coming no matter what we do about it. So let's get with it and take a good long study of it here and see whether we can't improve. We have passed laws in the past that haven't been perfect. We have had to improve them. Something new like this can have a few faults as time will heal and I think it is time that we stepped forward and be ready to do something constructive and I go on record as supporting Burrows, Senator Burrows' 192.

PRESIDENT: Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I have mixed emotions about this bill. I guess I don't quite understand it all. I see there is an A bill that goes with it. I would like to have Senator Burrows or somebody answer a question for me. This A bill is an appropriations bill for about two and a quarter million dollars. When, if this bill should pass, how will this be added on to the budget for this coming fiscal year?

SENATOR BURROWS: A large share of this \$2.2 million will have to be put up money before the bill is implemented. I have an amendment prepared for Select File to replace that from the corporate fund which it could easily handle from its own funding, the bill, but this would have to, part of this money would have to be borrowed from the general fund through the following year to be taken care of out of the corporate fund. If I could add, this is just over one-half of one percent of the collection. Where sales tax presently costs over 4% to collect and it is tremendous economical collection of money against \$400 million.

SENATOR HEFNER: Okay, in other words, then we would be putting that money back into the general fund while we were collecting the gross income tax.

SENATOR BURROWS: I have an amendment prepared to do that that I thought would be a fair way of answering this question, yes.

SENATOR HEFNER: Okay, then I have another question, Senator Burrows. We have a lot of farms that are incorporating for various reasons. We have some businesses or more businesses that are incorporating. How will this effect the fund?

SENATOR BURROWS: The subchapter (s) corporations which take up a large share of the farms are incorporating under subchapter (s) and those corporations, their income is treated as a partnership generally on the return, if they elect to under, and the moderate income farmers I think would do this. It would be treated as partnership income and be retained in the district. If they are taxed as an ordinary corporation, it would go into the corporate fund, and the earnings they took out in salary and dividends would be retained in the district.

SENATOR HEFNER: Okay, thank you.